

Remarks

This Application has been carefully reviewed in light of the final Office Action mailed May 18, 2004. Applicants have made clarifying amendments to Claims 1, 3-4, 6-7, 9-10, 12, 18, 20-21, 23-24, 26-27, 29, 35, 37-38, 40-41, 43-44, 46, and 52-55. Certain of these amendments have not narrowed the claims, and none are considered necessary for patentability. None of these amendments have introduced any new matter. All of these amendments place the Application in better form for allowance or appeal; thus, Applicants respectfully request that the Examiner enter all of these amendments. Applicants respectfully request reconsideration and allowance of all pending claims.

Applicants' Claims are Allowable over Rackson

I. Applicants' Claims are Allowable under 35 U.S.C. § 102(e)

The Examiner rejects Claims 1-4, 6-7, 9-10, 17-18, 21, 23-24, 26-27, 32, 34-35, 38, 40-41, 43-44, 49, 51-52, and 55 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent No. 6,415,270 to Rackson et al. ("*Rackson*"). Applicants respectfully disagree.

Rackson merely discloses a multiple auction coordination system and method. According to the system disclosed in *Rackson*, a bidder may contact a multi-auction service and, via a user interface, describe parameters of items to be purchased. (Column 24, Lines 5-8) The multi-auction service reviews a history database to identify similar items and to define optimum bidder parameters. (Column 24, Lines 60-62) These parameters may be determined in an interactive manner (*see* Column 24, Lines 11-56), or the multi-auction service may determine the best parameters without user interaction based on the data received and the historical information retrieved (*see* Column 24, Lines 65-67). The multi-auction service then reviews a plurality of remote auction services to determine the best sites to search for items, based on prior history for that type of item for example. (Column 24, Line 67 through Column 25, Line 5) The multi-auction service may contact the remote auctions to determine the remote auction services that have the lowest or optimal value for an item. (Column 25, Lines 36-39) The multi-auction service then determines which item to bid upon and transmits a bid for that item to the remote auction service. (Column 25, Lines 39-41)

Applicants discuss independent Claim 1 as an example. *Rackson* fails to disclose, teach, or suggest various limitations recited in Claim 1, as amended.

For example, *Rackson* fails to disclose, teach, or suggest “***a plurality of diverse types of recommended options for communication to the buyer***,” as specifically recited in Claim 1 as amended. *Rackson* merely discloses that the multi-auction service may contact remote auctions to determine the remote auction services that have the lowest or optimal value for an item (Column 25, Lines 36-39), determine which item to bid upon, and transmit a bid for that item to the remote auction service for that item (Column 25, Lines 39-41). *Rackson* does not disclose, teach, or suggest “generat[ing] ***a plurality of diverse types of recommended options for communication to the buyer***,” let alone the following limitations specifically recited in Claim 1, as amended:

- generat[ing] ***a plurality of diverse types of recommended options for communication to the buyer to enable the buyer to select one of the plurality of diverse types of recommended options, each of the plurality of diverse types of recommended options communicated to the buyer for selection*** specifying a service through which it is possible to procure the item consistent with procurement parameters, ***the plurality of diverse types of recommended options communicated to the buyer for selection comprising:***

a recommended purchase from the supplier currently offering the item at the lowest price consistent with the procurement parameters;

a recommended auction in which the item is currently being auctioned under circumstances consistent with the procurement parameters; and

a recommended reverse auction that may be initiated with respect to the item under circumstances consistent with the procurement parameters.

Rackson does not disclose, teach, or suggest that “***a plurality of diverse types of recommended options for communication to the buyer to enable the buyer to select one of the plurality of diverse types of recommended options***” are ever generated and communicated to the bidder prior to the multi-auction service determining which item to bid upon and transmitting a bid for that item to the remote auction service. In contrast, as recited in Claim 1 as amended, the server is operable to “interact with the buyer ***to receive a selection*** of a particular recommended option ***from among the plurality of diverse types of recommended options communicated to the buyer for selection***.”

Moreover, *Rackson* does not disclose, teach, or suggest a recommended option comprising “a recommended purchase from the supplier currently offering the item at the lowest price consistent with the procurement parameters,” as recited in Claim 1. *Rackson* merely discloses auctions and reverse auctions, which are not even necessarily disclosed as “recommended options,” as recited in Claim 1. Thus, *Rackson* fails to disclose, teach, or suggest “generat[ing] *a plurality of diverse types of recommended options* for communication to the buyer to enable the buyer to select *one of the plurality of diverse types of recommended options*,” as recited in Claim 1, as amended. Even more clearly, *Rackson* fails to disclose, teach, or suggest “*the plurality of diverse types of recommended options communicated to the buyer for selection* comprising . . . a recommended purchase . . . a recommended action . . . and a recommended reverse auction,” as recited in Claim 1, as amended. Indeed, even assuming for the sake of argument that *Rackson* discloses the plurality of diverse types of recommended options comprising a recommended auction and a recommended reverse auction (which Applicants do not concede), *Rackson* still fails to disclose, teach, or suggest “*the plurality of diverse types of recommended options communicated to the buyer for selection comprising . . . a recommended purchase*,” as recited in Claim 1, as amended.

As another example, *Rackson* fails to disclose, teach, or suggest “communicat[ing] to the buyer a recommended course of action *specifying the recommended option that should be selected from among the plurality of diverse types of recommended options communicated to the buyer for selection* to give the buyer the best opportunity to procure the item consistent with the procurement parameters and at the lowest price,” as recited in Claim 1 as amended.

As purportedly disclosing this limitation (prior to the amendments presented in this Response), the Examiner refers to Column 25, Lines 30-34, which recites, “The multi-auction service may recommend that the bidder forego bidding on items where current bidders tend to drive prices above the multi-auction bidder specified maximum price where the top final bid is predicted to be higher than the bidder’s specified maximum bid.” However, read in context, this disclosure of *Rackson* merely suggests that the multi-auction system can recommend that a bidder forego placing certain bids based on a review of historical information and the bidder’s

specified maximum bid. It does not disclose, teach, or suggest “communicat[ing] to the buyer a recommended course of action *specifying the recommended option that should be selected from among the plurality of diverse types of recommended options communicated to the buyer for selection* to give the buyer the best opportunity to procure the item consistent with the procurement parameters and at the lowest price,” as specifically recited in Claim 1 as amended. This is particularly true in light of the fact that, as demonstrated above, *Rackson* fails to disclose, teach, or suggest “generat[ing] *a plurality of diverse types of recommended options for communication to the buyer to enable the buyer to select one of the plurality of diverse types recommended options, each of the plurality of diverse types of recommended options communicated to the buyer for selection* specifying a service through which it is possible to procure the item consistent with procurement parameters,” as recited in Claim 1 as amended.

The Examiner also cites Column 25, Lines 61-64, which states, “The system may provide suggestions to the users as the bidding progresses or the system may implement expert-based tactical bidding strategies that allow for unattended bidding.” However, nowhere does this disclosure of *Rackson* disclose, teach, or suggest “communicat[ing] to the buyer a recommended course of action *specifying the recommended option that should be selected from among the plurality of diverse types of recommended options communicated to the buyer for selection* to give the buyer the best opportunity to procure the item consistent with the procurement parameters and at the lowest price,” as specifically recited in Claim 1 as amended.

As yet another example, *Rackson* fails to disclose, teach, or suggest “interact[ing] with the buyer *to receive a selection of a particular recommended option from among the plurality of diverse types of recommended options communicated to the buyer for selection*,” as recited in Claim 1 as amended. In fact, the Examiner does not reference any portion of *Rackson* as disclosing receiving “a selection of a particular recommended option,” as recited in Claim 1 prior to the amendments presented in the current Response. (See Office Action, Page 2) *Rackson* certainly fails to disclose, teach, or suggest “interact[ing] with the buyer *to receive a selection of a particular recommended option from among the plurality of diverse types of recommended options communicated to the buyer for selection*,” as recited in Claim 1 as amended. This is particularly true in light of the fact that, as demonstrated above, *Rackson* fails to disclose, teach,

or suggest even “generat[ing] a *plurality of diverse types of recommended options for communication to the buyer to enable the buyer to select one of the plurality of diverse types of recommended options, each of the plurality of diverse types of recommended options communicated to the buyer for selection* specifying a service through which it is possible to procure the item consistent with procurement parameters” and “communicat[ing] to the buyer a recommended course of action *specifying the recommended option that should be selected from among the plurality of diverse types of recommended options communicated to the buyer for selection* to give the buyer the best opportunity to procure the item consistent with the procurement parameters and at the lowest price,” as recited in Claim 1 as amended.”

As yet another example, at least because *Rackson* fails to disclose, teach, or suggest “interact[ing] with the buyer to *receive a selection of a particular recommended option from among the plurality of diverse types of recommended options communicated to the buyer for selection*,” *Rackson* necessarily fails to disclose, teach, or suggest “a manager application operable to automatically initiate the service *specified in the selected one of the plurality of diverse types of recommended options* in an attempt to procure the item consistent with the procurement parameters,” as recited in Claim 1.

Applicants respectfully note that “[a] claim is anticipated only if *each and every element* as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 2 U.S.P.Q.2d 1051, 1053 (Fed. Cir. 1987) (emphasis added); M.P.E.P. § 2131. Stated another way, “for anticipation under 35 U.S.C. 102, the reference must teach *every aspect* of the claimed invention either explicitly or impliedly.” M.P.E.P. § 706.02 (emphasis added). In addition, “[t]he *elements must be arranged as required by the claim*.” M.P.E.P. § 2131 (emphasis added) referencing *In re Bond*, 15 U.S.P.Q.2d 1566 (Fed. Cir. 1990); see also *Richardson v. Suzuki Motor Co.*, 9 U.S.P.Q.2d 1913, 1920 (Fed. Cir. 1989). Furthermore, “[t]he *identical invention* must be shown in as complete detail as is contained in the . . . claim.” M.P.E.P. § 2131 citing *Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236 (Fed. Cir. 1989) (emphasis added). As Applicants have demonstrated above, *Rackson* does not disclose, either expressly or inherently, each and every limitation recited in Claim 1, as is required under the M.P.E.P. and governing Federal Circuit cases.

For at least these reasons, Applicants respectfully submit that the rejections under 35 U.S.C. § 102 should be withdrawn. Applicants respectfully request reconsideration and allowance of independent Claim 1 and its dependent claims. For substantially similar reasons, Applicants respectfully request reconsideration and allowance of independent Claims 18, 35, and 52-55 and their dependent claims.

II. Applicants' Claims are Allowable under 35 U.S.C. § 103(a)

The Examiner rejects Claims 8, 11-15, 25, 28-31, 42, and 45-48 under 35 U.S.C. § 103(a) as being unpatentable over *Rackson*. Applicants respectfully disagree.

Dependent Claims 8 and 11-15, 25 and 28-31, and 42 and 45-48 depend from independent Claims 1, 18, and 35, respectively. Applicants believe they have shown these claims to be clearly allowable over *Rackson*. Thus, Claims 8, 11-15, 25, 28-31, 42, and 45-48 are allowable at least because of their dependence on Claims 1, 18, and 35, respectively. In addition, these claims recite further patentable distinctions over the prior art of record. To avoid burdening the record and in view of the clear allowability of Claims 1, 18, and 35, Applicants do not specifically discuss these distinctions in this Response. However, Applicants reserve the right to discuss these distinctions in a future Response or on Appeal, if appropriate.

The Examiner acknowledges that *Rackson* fails to disclose certain limitations recited in dependent Claims 8, 11-15, 25, 28-31, 42, and 45-48; however, the Examiner makes conclusory assertions that it would have been obvious to one of ordinary skill in the art to modify *Rackson* to achieve the limitations recited in these dependent claims. (See Office Action, Pages 3-4) Applicants do not admit that the proposed modifications of *Rackson* are possible or that the Examiner has demonstrated the required teaching, suggestion, or motivation to modify this reference. For example, the Examiner does not cite any reference or take Official Notice to support the modification of *Rackson*. The Examiner merely states that "in view of the overall teachings of the *Rackson* '270 patent," these limitations would have been obvious. Such a position is entirely insufficient to support a *prima facie* case of obviousness under 35 U.S.C. § 103(a) under the M.P.E.P. and the governing Federal Circuit case law, as Applicants reserve the right to argue in detail in a later Response or on Appeal, if appropriate.

Applicants respectfully note that the question raised under 35 U.S.C. § 103 is whether the prior art taken as a whole would suggest the claimed invention taken as a whole to one of ordinary skill in the art at the time of the invention. Accordingly, even if all elements of a claim are disclosed in various prior art references, which is certainly not the case here as discussed above, the claimed invention taken as a whole cannot be said to be obvious without some reason given in the prior art why one of ordinary skill at the time of the invention would have been prompted to modify the teachings of a reference or combine the teachings of multiple references to arrive at the claimed invention.

The M.P.E.P. sets forth the strict legal standard for establishing a *prima facie* case of obviousness based on modification or combination of prior art references. "To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references where combined) must teach or suggest all the claim limitations." M.P.E.P. § 2142, 2143. The teaching, suggestion, or motivation for the modification or combination and the reasonable expectation of success must both be found in the prior art and cannot be based on an applicant's disclosure. *See Id.* (citations omitted). "Obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art" at the time of the invention. M.P.E.P. § 2143.01. Even the fact that references *can* be modified or combined does not render the resultant modification or combination obvious unless the prior art teaches or suggests the desirability of the modification or combination. *See Id.* (citations omitted). Moreover, "To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. All words in a claim must be considered in judging the patentability of that claim against the prior art." M.P.E.P. § 2143.03 (citations omitted).

The governing Federal Circuit case law makes this strict legal standard even more clear.¹ According to the Federal Circuit, "a showing of a suggestion, teaching, or motivation to combine or modify prior art references is an essential component of an obviousness holding." *In re Sang-Su Lee*, 277 F.3d 1338, 1343, 61 U.S.P.Q.2d 1430, 1433 (Fed. Cir. 2002) (quoting *Brown & Williamson Tobacco Corp. v. Philip Morris Inc.*, 229 F.3d 1120, 1124-25, 56 U.S.P.Q.2d 1456, 1459 (Fed. Cir. 2000)). "Evidence of a suggestion, teaching, or motivation . . . may flow from the prior art references themselves, the knowledge of one of ordinary skill in the art, or, in some cases, the nature of the problem to be solved." *In re Dembiczak*, 175 F.3d 994, 999, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999). However, the "range of sources available . . . does not diminish the requirement for actual evidence." *Id.* Although a prior art device "may be capable of being modified to run the way the apparatus is claimed, there must be a suggestion or motivation in the reference to do so." *In re Mills*, 916 F.2d at 682, 16 U.S.P.Q.2d at 1432. *See also In re Rouffet*, 149 F.3d 1350, 1357, 47 U.S.P.Q.2d 1453, 1457-58 (Fed. Cir. 1998) (holding a *prima facie* case of obviousness not made where the combination of the references taught every element of the claimed invention but did not provide a motivation to combine); *In Re Jones*, 958 F.2d 347, 351, 21 U.S.P.Q.2d 1941, 1944 (Fed. Cir. 1992) ("Conspicuously missing from this record is any evidence, other than the PTO's speculation (if that can be called evidence) that one of ordinary skill in the herbicidal art would have been motivated to make the modification of the prior art salts necessary to arrive at" the claimed invention.). Even a determination that it would have been obvious to one of ordinary skill in the art at the time of the invention to try the proposed modification or combination is not sufficient to establish a *prima facie* case of obviousness. *See In re Fine*, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d 1596, 1599 (Fed. Cir. 1988).

In addition, the M.P.E.P. and the Federal Circuit repeatedly warn against using an applicant's disclosure as a blueprint to reconstruct the claimed invention. For example, the M.P.E.P. states, "The tendency to resort to 'hindsight' based upon applicant's disclosure is often difficult to avoid due to the very nature of the examination process. However, impermissible hindsight must be avoided and the legal conclusion must be reached on the basis of the facts gleaned from the prior art." M.P.E.P. § 2142. The governing Federal Circuit cases are equally

¹ Note M.P.E.P. 2145 X.C. ("The Federal Circuit has produced a number of decisions overturning obviousness rejections due to a lack of suggestion in the prior art of the desirability of combining references.").

clear. "A critical step in analyzing the patentability of claims pursuant to [35 U.S.C. § 103] is casting the mind back to the time of invention, to consider the thinking of one of ordinary skill in the art, guided only by the prior art references and the then-accepted wisdom in the field. . . . Close adherence to this methodology is especially important in cases where the very ease with which the invention can be understood may prompt one 'to fall victim to the insidious effect of a hindsight syndrome wherein that which only the invention taught is used against its teacher.'" *In re Kotzab*, 217 F.3d 1365, 1369, 55 U.S.P.Q.2d 1313, 1316 (Fed. Cir. 2000) (citations omitted). In *In re Kotzab*, the court noted that to prevent the use of hindsight based on the invention to defeat patentability of the invention, this court requires the examiner to show a motivation to combine the references that create the case of obviousness. *See id.* *See also, e.g., Grain Processing Corp. v. American Maize-Products*, 840 F.2d 902, 907, 5 U.S.P.Q.2d 1788, 1792 (Fed. Cir. 1988). Similarly, in *In re Dembiczak*, the Federal Circuit reversed a finding of obviousness by the Board, explaining that the required evidence of such a teaching, suggestion, or motivation is essential to avoid impermissible hindsight reconstruction of an applicant's invention:

Our case law makes clear that the best defense against the subtle but powerful attraction of hind-sight obviousness analysis is *rigorous application of the requirement for a showing of the teaching or motivation to combine prior art references*. Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability—the essence of hindsight.

175 F.3d at 999, 50 U.S.P.Q.2d at 1617 (emphasis added) (citations omitted).

Again, the Examiner's conclusory statement that these limitations would have been obvious "in view of the overall teachings of the *Rackson* '270 patent" is entirely insufficient to support a *prima facie* case of obviousness under 35 U.S.C. § 103(a) under the M.P.E.P. and the governing Federal Circuit case law.

For at least these reasons, Applicants respectfully submit that the rejections under 35 U.S.C. § 103(a) should be withdrawn. Applicants respectfully request reconsideration and allowance of dependent Claims 8, 11-15, 25, 28-31, 42, and 45-48.

III. No Waiver

All of Applicants' arguments and amendments are without prejudice or disclaimer. Additionally, Applicants have merely discussed example distinctions from the *Rackson* reference. Other distinctions may exist, and Applicants reserve the right to discuss these additional distinctions on Appeal, if appropriate. The example distinctions discussed by Applicants are sufficient to overcome the anticipation and obviousness rejections.

Conclusion

Applicants have made an earnest attempt to place this case in condition for allowance. For at least the foregoing reasons, and for other reasons clearly apparent, Applicants respectfully request full allowance of all pending claims.

If the Examiner believes a telephone conference would advance prosecution of this case in any way, the Examiner is invited to contact Christopher W. Kennerly, Attorney for Applicants, at the Examiner's convenience at (214) 953-6812.

Although Applicants believe no fees are due, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

BAKER BOTTS L.L.P.
Attorneys for Applicants



Christopher W. Kennerly
Reg. No. 40,675

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Correspondence Address:

Baker Botts L.L.P.
2001 Ross Avenue, Suite 600
Dallas, Texas 75201-2980
Tel. (214) 953-6812

Customer No. **05073**